

FIRST REGULAR SESSION

SENATE BILL NO. 246

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAEFER.

Read 1st time January 26, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

1233L.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to regional economic development initiatives.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.1250, to read as follows:

135.1250. 1. There is hereby created a "Regional Economic Development Initiative" to promote individual and business investments in economic development within the individual's or business' region through contributions to support regional economic development organizations' initiatives.

2. As used in this section, the following words and phrases shall mean:

(1) "Department", the department of economic development;

(2) "Regional economic development organization", any legally formed and locally recognized nonprofit organization representing multiple cities or counties with the goal of promoting economic growth for its respective areas;

(3) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due under chapter 147, 148, or 153, RSMo;

(4) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax imposed in chapter 147, 148, or 153, RSMo.

3. A regional economic development organization may submit an

22 application for authorization for tax credits to the department. The
23 application shall identify the proposed use of such credit and the areas
24 of emphasis for the use of such credits. Funds shall be used in a
25 manner which furthers the economic growth of the region consistent
26 with the goals and written plans of the regional economic development
27 organization. Eligible activities shall include but not be limited to the
28 following:

29 (1) Public infrastructure and related activities which include but
30 are not limited to the acquisition of land, water, sewer, streets, and
31 buildings;

32 (2) Revolving loan programs; or

33 (3) Job training programs.

34 4. Applications shall include the following:

35 (1) A resolution passed by the regional economic development
36 organization's board approving the economic growth project;

37 (2) The method by which the regional economic development
38 organization will measure success of the initiative;

39 (3) The proposed fund-raising period;

40 (4) The proposed project period; and

41 (5) The amount of tax credit authorization sought.

42 5. In approving applications, the department shall consider:

43 (1) The number of persons, families, or businesses which would
44 benefit from the proposed project;

45 (2) The extent that additional public or private funds will be
46 leveraged; and

47 (3) The potential impact of the project on existing businesses.

48 6. No application shall be authorized for an amount more than
49 two million dollars in tax credits. No more than fifty thousand per year
50 and one hundred fifty thousand total shall be used to support the
51 operation of the regional economic development organization,
52 including but not limited to salaries, marketing, operating expenses,
53 and equipment.

54 7. The regional economic development organization shall provide
55 the department with documentation of funds raised and expended
56 under this section. Such organization shall submit quarterly reports
57 detailing funds expended and the progress of the project. Within six
58 months of the end of the project period, the regional economic

59 development organization shall report the results and economic success
60 and submit an audit.

61 8. If at the conclusion of the project period the funds raised have
62 not been expended consistent with the approved application or the
63 project has not been completed, an amount corresponding to the
64 respective tax credits issued shall be repaid. Repayment may be in the
65 form of cash paid directly to the department by the applicant or the
66 voluntary relinquishment of the tax credits.

67 9. For all taxable years beginning on or after December 31, 2009,
68 any taxpayer shall be entitled to a tax credit against any tax otherwise
69 due under the provisions of chapter 143, 147, 148, or 153, RSMo,
70 excluding withholding tax imposed by sections 143.191 to 143.265,
71 RSMo, in the amount of fifty percent of any amount contributed by the
72 taxpayer to a regional economic development organization if the
73 regional economic development organization's plan has been accepted
74 and approved by the department. The contributions shall be made
75 within the fund-raising period approved by the department.

76 10. The tax credit may be carried forward for up to five years,
77 and the taxpayer may sell, assign, or otherwise transfer the tax credits.

78 11. The aggregate of all tax credits authorized under this section
79 shall not exceed twelve million dollars in any year or thirty-six million
80 dollars cumulatively.

81 12. The department and the department of revenue may
82 promulgate rules to implement the provisions of this section. Any rule
83 or portion of a rule, as that term is defined in section 536.010, RSMo,
84 that is created under the authority delegated in this section shall
85 become effective only if it complies with and is subject to all of the
86 provisions of chapter 536, RSMo, and, if applicable, section 536.028,
87 RSMo. This section and chapter 536, RSMo, are nonseverable and if any
88 of the powers vested with the general assembly pursuant to chapter
89 536, RSMo, to review, to delay the effective date, or to disapprove and
90 annul a rule are subsequently held unconstitutional, then the grant of
91 rulemaking authority and any rule proposed or adopted after August
92 28, 2009, shall be invalid and void.

93 13. Under section 23.253, RSMo, of the Missouri Sunset Act:

94 (1) The provisions of the new program authorized under this
95 section shall automatically sunset three years after the effective date

96 of this section unless reauthorized by an act of the general assembly;
97 and

98 (2) If such program is reauthorized, the program authorized
99 under this section shall automatically sunset twelve years after the
100 effective date of the reauthorization of this section; and

101 (3) This section shall terminate on September first of the
102 calendar year immediately following the calendar year in which the
103 program authorized under this section is sunset.

Unofficial

Bill

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